

ORIGINAL

OPEN MEETING ITEM



0000076306

COMMISSIONERS  
MIKE GLEASON - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE



ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

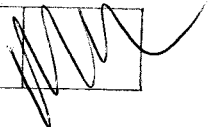
DOCKETED

DATE: SEPTEMBER 20, 2007

DOCKET NOS: T-03336A-05-0583<sup>85</sup> and T-03663A-05-0853

SEP 20 2007

TO ALL PARTIES:

DOCKETED BY 

Enclosed please find the recommendation of Administrative Law Judge Marc Stern. The recommendation has been filed in the form of an Order on:

AMERICAN LONG LINES, INC. and  
PAETEC COMMUNICATIONS, INC.  
(MERGER)

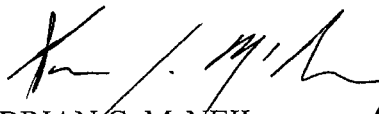
Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

OCTOBER 1, 2007

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

OCTOBER 23, 2007 and OCTOBER 24, 2007

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

  
BRIAN C. McNEIL  
EXECUTIVE DIRECTOR

AZ CORP COMMISSION  
DOCKET CONTROL

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

**COMMISSIONERS**

MIKE GLEASON, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

IN THE MATTER OF THE APPLICATION  
OF THE JOINT APPLICATION OF  
AMERICAN LONG LINES, INC. AND  
PAETEC COMMUNICATIONS, INC. FOR  
APPROVAL OF A MERGER, AND FOR  
CANCELLATION OF AMERICAN LONG  
LINES, INC.'S CERTIFICATE OF  
CONVENIENCE AND NECESSITY.

DOCKET NO. T-03336A-05-0583  
DOCKET NO. T-03663A-05-0853

DECISION NO. \_\_\_\_\_

**ORDER**

Open Meeting  
October 23 and 24, 2007  
Phoenix, Arizona

**BY THE COMMISSION:**

\* \* \* \* \*

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

**FINDINGS OF FACT**

1. On February 9, 1998, in Decision No. 60673, the Commission granted American Long Lines, Inc. ("ALL") a Certificate of Convenience and Necessity ("Certificate") to provide resold long-distance telecommunication services in the State of Arizona.
2. On April 14, 2000, in Decision No. 62458, the Commission granted PAETEC Communications, Inc. ("PAETEC") a Certificate to provide resold long-distance telecommunication services in the State of Arizona.
3. On December 6, 2005, ALL and PAETEC (collectively "Applicants") filed with the Commission an application which requested the Commission's approval of the merger of ALL with

1 PAETEC.<sup>1</sup>

2 4. While ALL and PAETEC were both wholly owned subsidiaries of PAETEC  
3 Corporation, the Applicants continued to operate separate systems. With the merger of the two  
4 systems, PAETEC Corporation eliminated inefficiencies between the Applicants by consolidating  
5 their administrative and business operations into a single cohesive system. The Applicants proposed  
6 to merge ALL into PAETEC and to transfer ALL's customers to PAETEC.

7 5. The Applicants further requested that ALL's Certificate to provide resold long-  
8 distance telecommunication services in Arizona and its tariffs on file with the Commission be  
9 cancelled.

10 6. On July 30, 2007, the Commission's Utilities Division ("Staff") filed a Staff Report in  
11 this matter.

12 7. In the Staff Report, Staff reported that as of December 31, 2005, ALL ceased its  
13 operations in Arizona and transferred its 13 Arizona customers to PAETEC. Staff noted that the  
14 Applicants submitted a copy of the written customer notification, that was provided to its customers  
15 and upon Staff's review of the customer notification, determined that it meets the Commission's  
16 notice requirements. Staff believes that the transaction did not have a negative impact on the  
17 customers involved and that it did not negatively impact the competitive nature of the market.

18 8. Staff recommended the Applicants' application be approved without a hearing.

### 19 CONCLUSIONS OF LAW

20 1. Applicants are public service corporations within the meaning of Article XV of the  
21 Arizona Constitution and A.R.S. §§ 40-281, and 40-282.

22 2. The Commission has jurisdiction over Applicants and the subject matter of the  
23 application.

24 3. Approval of the application is in the public interest.

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27 <sup>1</sup> In January 2005, ALL and PAETEC Corporation, the parent company of PAETEC, filed with the Federal  
28 Communications Commission ("FCC") an application to transfer control of ownership of ALL to PAETEC Corporation  
by means of a stock acquisition. At that point, ALL and PAETEC were both wholly owned subsidiaries of PAETEC  
Corporation. On March 13, 2006, ALL and PAETEC provided notification to the Commission of the closing of the  
merger of ALL into PAETEC effective December 31, 2005.

1       4.     The cancellation of ALL's Certificate is in the public interest.

2           5. Pursuant to A.R.S. § 40-282, the Commission may approve the application without a  
3 hearing.

4           6.       Staff's recommendation in Findings of Fact No. 8 is reasonable and should be  
5 adopted.

## ORDER

7 IT IS THEREFORE ORDERED that the application of American Long Lines, Inc. and  
8 PAETEC Communications, Inc. for approval of the merger as described hereinabove is hereby  
9 approved.

10 IT IS FURTHER ORDERED that the Certificate of Convenience and Necessity of American  
11 Long Lines, Inc. is hereby cancelled.

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1 IT IS FURTHER ORDERED that the tariffs of American Long Lines, Inc. on file with the  
2 Commission are hereby cancelled.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.  
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7 CHAIRMAN

COMMISSIONER

8  
9 COMMISSIONER

COMMISSIONER

COMMISSIONER

10  
11 IN WITNESS WHEREOF, I, DEAN S. MILLER, Interim  
12 Executive Director of the Arizona Corporation Commission,  
13 have hereunto set my hand and caused the official seal of the  
14 Commission to be affixed at the Capitol, in the City of Phoenix,  
15 this \_\_\_\_ day of \_\_\_\_\_, 2007.

16  
17 DEAN S. MILLER  
18 INTERIM EXECUTIVE DIRECTOR

19 DISSENT \_\_\_\_\_

20 DISSENT \_\_\_\_\_

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1 SERVICE LIST FOR: AMERICAN LONG LINES, INC. and PAETEC  
2 COMMUNICATIONS, INC.

3 DOCKETS NO.: T-03336A-05-0583 and T-03663A-05-0853  
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